

Message Text

PAGE 01 NASSAU 02128 01 OF 03 180021Z

63

ACTION ARA-10

INFO OCT-01 EUR-12 ISO-00 CG-00 DOTE-00 SAB-01 OMB-01

AID-05 IGA-02 EB-07 TRSE-00 CIAE-00 DODE-00 PM-04

H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02

SS-15 USIE-00 INRE-00 NSCE-00 SSO-00 /079 W

----- 076884

O R 172252Z DEC 75

FM AMEMBASSY NASSAU

TO SECSTATE WASHDC IMMEDIATE 7645

INFO AMEMBASSY LONDON

C O N F I D E N T I A L SECTION 1 OF 3 NASSAU 2128

FOR DEPUTY ASSISTANT SECRETARY LUERS FROM AMBASSADOR WEISS

E.O. 11652: GDS

TAGS: MARR BF US

SUBJ: FACILITIES NEGOTIATIONS

REF: STATE 294636

1. REFTEL PROVIDES THE MAJOR SHARE OF WHAT WE REQUIRE TO RESPOND TO GCOB LETTERS OF AUGUST 15 AND SEPTEMBER 25 ON FACILITY NEGOTIATIONS. THERE ARE HOWEVER A NUMBER OF POINTS WHICH REQUIRE CLARIFICATION OR MAY JUSTIFY CHANGE AND THESE ARE ADDRESSED BELOW:

2. BY SEPTEL, I WILL SET FORTH MY VIEWS CONCERNING ALTERNATIVE UNDERLYING ASSUMPTIONS IN PURSUING THE TACTICS OF THE NEGOTIATIONS, WHICH I CONTINUE TO FEEL HAVE BEEN SOMEWHAT CONFUSED OR AT LEAST OBSCURED BY STATE/DOD/EMBASSY DIALOG OF PAST SEVERAL MONTHS. SINCE I AM ANXIOUS THAT WE ALL APPROACH THE NEXT ROUND OF NEGOTIATIONS WITH A CLEAR COMMON UNDERSTANDING OF WHAT TO EXPECT AND WITH AS MUCH FORETHOUGHT TO HOW WE WILL TREAT ANTICIPATED GCOB RESPONSES AS IT IS POSSIBLE TO MAKE BEFORE THE FACT, I
CONFIDENTIAL

PAGE 02 NASSAU 02128 01 OF 03 180021Z

HOPE SEPTEL WILL RECEIVE PROMPT WASHINGTON CONSIDERATION ALONG WITH THIS MESSAGE EVEN THOUGH ALTERNATIVES DISCUSSED IN SEPTEL MAY NOT REQUIRE ANY CHANGES IN THE COMMUNICATION WHICH WE ARE ABOUT TO MAKE TO GCOB.

3. WITH REGARD TO REFTEL:

A) PARA 1-A. CONCUR EXCEPT SEE (I) BELOW.

B) PARA 1-B. CONCUR. BY SEPTTEL, I AM REPORTING ON DISTURBING EVIDENCE OF NON-HELPLESSNESS OF BRITISH HIGH COMMISSIONER IN THIS ENTIRE MATTER.

C) PARA 1-C. CONCUR WITH FIGURE OF \$5 MILLION AS INITIAL OFFER. I AM STILL OF THE VIEW THAT ALL OR PORTION OF ADDITIONAL \$1.15 MILLION SHOULD IN INITIAL OFFER BE IDENTIFIED AS A TRAINING PROGRAM FOR BAHAMIANS TO BE CONDUCTED ON U.S. FACILITIES. SEE (J) BELOW.

D) PARA 1-D. CONCUR. GIVEN REQUIREMENT FOR YEAR-TO-YEAR RENEWAL, BELIEVE THIS SHOULD BE REFLECTED IN MY LETTER TO ADDERLEY. WHILE WE UNDERSTAND THE NECESSITY OF THIS AND WILL TRY TO MAKE IT CLEAR TO GCOB, INSERTION AT THIS POINT OF UNCERTAINTY OF ANNUAL APPROVAL PROCESS INTO OUR PREVIOUS DISCUSSIONS ABOUT OUR DESIRE FOR 15 YEAR AGREEMENT VERSUS GCOB DESIRE FOR 10 YEARS MIGHT CAUSE CONFUSION AND COULD EVEN RAISE QUESTION OF ALTERNATIVE APPROACHES; I.E., IF BAHAMIANS INSIST ON A FIRM COMMITMENT FOR 15 YEARS, WE MIGHT HAVE TO INDICATE THIS COULD NOT BE DONE SHORT OF SEEKING TREATY. WHILE WE WOULD CERTAINLY DISCOURAGE ANY SUCH APPROACH WE NOTE THAT NECESSARY ANNUAL RENEWAL CAVEAT WILL TEND TO CONFUSE AND IMPEDE DISCUSSION.

E) PARA 1-E. CONCUR. WE WILL NOT RAISE PREPAYMENT IDEA UNLESS THIS SUBSEQUENTLY SEEMS TO BE NECESSARY. PLEASE SPECIFY MAXIMUM AMOUNT POSSIBLE WITHOUT SEEKING CONGRESSIONAL AUTHORIZATION, I.E., ARE WE CORRECT IN UNDERSTANDING THAT FIRST PAYMENT WILL EQUAL \$5 MILLION FOR NEXT FISCAL YEAR PLUS PROPORTIONATE SHARE OF \$5 MILLION FOR CURRENT FISCAL YEAR DEPENDING UPON WHEN AGREEMENT IS SIGNED?

F) PARA 1-F. WE REQUIRE CLARIFICATION. WE CANNOT EFFECTIVELY UTILIZE A "MOST UNLIKELY" CONCEPT IN OUR NEGOTIATION. EITHER EXCESS MATERIALS EXIST FOR THIS PURPOSE OF THEY DO NOT. IF THEY DO, THIS WOULD BE ENORMOUSLY VALUABLE IN IMPROVING THE ATTRACTIVENESS OF CONFIDENTIAL

PAGE 03 NASSAU 02128 01 OF 03 180021Z

THE PACKAGE. IF THEY DON'T THEN THEY DON'T.

G) PARA 1-G. CONCUR. WE ASSUME FURTHER THAT WASHINGTON AGREES THAT NEGOTIATIONS SHOULD AVOID TAKING ON THE CONTEXT OF A DIRECT SUPPORT FOR GCOB DEFENSE FORCE ASPIRATIONS (WHICH OF COURSE ENCOMPASS BUT GO BEYOND ROBERTS' REPORT) AS PER RATIONALE SET FORTH IN NASSAU 1955.

H) PARA 2. I CONTINUE TO FIND THIS RESPONSE UNSATISFACTORY. WE MUST ADDRESS THE ECONOMIC ASSISTANCE ISSUE NOW IN THE TEXT OF OUR RESPONSE TO GCOB, SINCE TO DO OTHERWISE WOULD FAIL TO TAKE NOTE OF BAHAMIANS' STATED DESIRES, WHICH IN FACT WERE HEART OF GCOB NOTES OF AUGUST 15 AND SEPTEMBER 25. MOREOVER, OUR SILENCE

ON THE SUBJECT MIGHT LEAD TO FALSE EXPECTATIONS OF
POTENTIAL USG GIVE. WHETHER OR NOT WE SHOULD BUILD SUCH
GIVE INTO OUR POSITION -- AND I THINK WE SHOULD NOT --
IS A QUESTION I WILL DISCUSS IN PROMISED SEPTTEL CONCERN-
ING CONCEPTUAL APPROACH TO NEGOTIATIONS. BUT EVEN IF
IN THE LAST ANALYSIS, CONTRARY TO MY OWN RECOMMENDA-
TIONS, AN AID PACKAGE IS OFFERED OUR INITIAL RESPONSE
SHOULD BE EXPLICITLY, REPEAT EXPLICITLY, DISCOURAGING
TO GCOB.

I) PARA 3-A. AS WASHINGTON AWARE, IT HAD BEEN MY
HOPE TO PRESENT OUR RESPONSE TO ADDERLEY MUCH EARLIER.
I HAD HOPED THIS WOULD TOSS BALL BACK INTO THEIR COURT
AND GENERATE USUAL INITIATIVE FROM THEM TO PROPOSE
"EXTENSION OF AGREEMENT FOR SIX MONTHS." WE WOULD
FINESSE "EXTENSION" CONCEPT BY OUR USUAL FORMULA OF
SAYING WE "FIND IT ACCEPTABLE FOR THE NEGOTIATIONS
NOW IN PROGRESS TO CONTINUE WITH A VIEW OF REACHING
AGREEMENT WITHIN NEXT SIX MONTHS. MY CONCERN IS THAT
RECEIPT OF OUR PROPOSAL SO LATE IN THE YEAR WILL CAUSE
GCOB TO FOCUS ON REJECTION OF RETROACTIVE PAYMENT IN
TURN LEADING THEM TO FORCE THIS ISSUE IN CONTEXT OF
AGREEMENT ON "SIX MONTH EXTENSION". AN ALTERNATIVE
APPROACH WOULD BE FOR US TO ATTEMPT AN IMMEDIATE INFORMAL
APPROACH TO FOREIGN MINISTRY SUGGESTING THAT THEY
INITIATE THEIR USUAL LETTER TO WHICH WE WOULD REpond
IN USUAL WAY IN VIEW OF DELAY IN NEGOTIATIONS.
IF THIS WORKED WE WOULD HOLD UP SUBMITTING OUR RESPONSE
TO ADDERLEY UNTIL AFTER EXCHANGE ON SIX MONTH EXTENSION
CONFIDENTIAL

PAGE 04 NASSAU 02128 01 OF 03 180021Z

WAS COMPLETED. DANGER IN THIS APPROACH IS THAT INFORMAL
APPROACH MIGHT BE MET WITH SUGGESTION USG INITIATE REQUEST
FOR EXTENSION WHICH WE WOULD BE LOATH TO DO SINCE IT
PREJUDICES OUR LEGAL POSITION THAT WE DO NOT FORMALLY
CONCEDE THAT AGREEMENT WITH UK HAS EXPIRED. WE ARE
WILLING TO PLAY IT EITHER WAY BUT AT THIS POINT WOULD
RECOMMEND WE TRY THE INFORMAL APPROACH, HOLDING OFF ON
SUBMISSION OF OUR REPLY UNTIL AFTER WE SEE IF WE CAN
GET THE SIX MONTH AGREEMENT.

CONFIDENTIAL

PAGE 01 NASSAU 02128 02 OF 03 180043Z

63

ACTION ARA-10

INFO OCT-01 EUR-12 ISO-00 CG-00 DOTE-00 SAB-01 OMB-01

AID-05 IGA-02 EB-07 TRSE-00 CIAE-00 DODE-00 PM-04

H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02

SS-15 USIE-00 INRE-00 NSCE-00 SSO-00 /079 W

----- 077028

O R 172252Z DEC 75

FM AMEMBASSY NASSAU

TO SECSTATE WASHDC IMMEDIATE 7646

INFO AMEMBASSY LONDON

C O N F I D E N T I A L SECTION 2 OF 3 NASSAU 2128

J) PARA 3-B. WITH REGARD TO UPGRADING TECHNICAL SKILLS, REFERENCE TO LACK OF LEGAL AUTHORITY TO "REQUIRE" CONTRACTORS TO PROVIDE TRAINING LEAVES US CONFUSED. I HAVE TALKED WITH BOTH MILITARY AND CIVILIAN OFFICIALS RESPONSIBLE FOR AUTEC (CAPT. BOHANNAN, C.O. N.U.S.C., NEWPORT, AND DR. PRYOR, TECHNICAL DIRECTOR, N.U.S.C., NEWPORT, AND RCA PROJECT MANAGER FOR AUTEC, BOB MALONEY). THEY CONFIRMED THAT TO A VERY LIMITED DEGREE SUCH TRAINING HAS ALREADY BEEN OFFERED AND CONDUCTED AT AUTEC AND MOREOVER THAT RCA HAS CONDUCTED PRECISELY SUCH FORMALIZED TRAINING PROGRAM AS WE ARE SUGGESTING FOR INDIGENOUS PERSONNEL AT OTHER U.S. FACILITIES OVERSEAS. FURTHER, THEY INDICATED THEY SAW NO PROBLEM IN WRITING INTO CONTRACT REQUIREMENT FOR PROVIDING MORE EXTENSIVE CAPABILITY FOR SUCH TRAINING AT AUTEC. THE ISSUE WOULD THUS NOT SEEM TO BE WHETHER DOD CAN "REQUIRE" CONTRACTOR TO PROVIDE SUCH TRAINING, BUT WHETHER CONTRACTOR IS IN FACT PREPARED TO DO SO GIVEN FINANCIAL COMPENSATION. DOD SHOULD BE UNDER NO ILLUSION ON THIS POINT. IMPORTANCE TO GCOB OF TRAINING BAHAMIANS TO TAKE OVER JOBS NOW BEING FILLED BY JAMAICANS, HAITIANS, CANADIANS, ASSORTED OTHER NATIONALITIES AND AMERICANS WOULD BE A MAJOR INDUCEMENT TO GCOB TO ACCEPT OUR PROPOSAL. SIMPLY TO OFFER TO HIRE ADDITIONAL BAHAMIANS, AS PROPOSED IN STATE 294636 IS CERTAINLY WORTHWHILE BUT IT ONLY REPEATS WHAT WE ALREADY HAVE DONE. THE PROBLEM
CONFIDENTIAL

PAGE 02 NASSAU 02128 02 OF 03 180043Z

IS WE CAN ONLY OFFER JOBS TO "QUALIFIED" BAHAMIANS AND SUCH QUALIFIED PERSONNEL ARE IN TERRIBLY SHORT SUPPLY. ACCORDINGLY, I RECOMMEND THAT WE CHANGE OUR POSITION OFFERING TO SPEND ALL OR A SIGNIFICANT PORTION OF REMAINING DOLS 1.15 MILLION FOR WRITING NEW CONTRACT WHICH PROVIDES FOR SUCH TRAINING. IT WOULD BE MOST HELPFUL IF, PROVIDING THIS RECOMMENDATION IS ACCEPTED, WE COULD INDICATE (I) HOW MUCH USG WILL DEVOTE ANNUALLY TO THIS PURPOSE AND (II) HOW MANY INDIVIDUALS WE CAN TRAIN PER YEAR. PARA 3-C. CONCUR. SEE PARA (E) ABOVE.

K) RE PARA C OF PROPOSED RESPONSE. FIGURE WE ARE USING FOR SALARIES AND EXPENDITURES MADE BY U.S. IS DOLS 4 MILLION RATHER THAN DOLS 2 MILLION. BASED ON ESTIMATES FORWARDED TO EMBASSY BY COMMANDERS OF THE FOUR U.S. FACILITIES IN THE BAHAMAS, LOCAL EXPENDITURES (U.S. EMPLOYEE EXPENDITURES; WAGES PAID TO LOCAL EMPLOYEES AND LOCAL PURCHASES INCLUDING OF DEPENDENTS) FOR 1974 WERE APPROXIMATELY DOLS 3.5 MILLION. THE FIGURE FOR

1975 BASED ONLY ON THREE OF THE FOUR QUARTERS IS ALREADY DOLS 3.2 MILLION AND WILL PROBABLY BE WELL OVER DOLS 4 MILLION FOR THE WHOLE YEAR.

)) HAS DOD CLARIFIED WITH UK WHETHER SOME PORTION OF TWO THOUSAND ACRES WHICH WE ARE PREPARED TO RELEASE TO GCOB IS IN FACT RELEASABLE TO THEM RATHER THAN TO UK? YOU WILL RECALL THIS QUESTION AROSE IN OUR MEETING WITH THE BRITISH. REQUEST CLARIFICATION.

M) PARA F DEALS WITH RETROACTIVE PAYMENTS PROBLEM IN ESSENTIALLY MANNER WHICH WE PROPOSED. FOR MY OWN INFORMATION, HOWEVER, WHAT WOULD I RESPOND IF ASKED WHY USG COULD NOT SEEK LEGISLATIVE AUTHORITY FROM CONGRESS? IS IT BECAUSE WE DO NOT WISH TO SEEK IT AS A MATTER OF GENERAL POLICY, BECAUSE SEEKING IT MIGHT PREJUDICE CONGRESSIONAL ATTITUDES AGAINST AGREEMENT, BECAUSE THERE IS A LEGAL PROSCRIPTION AGAINST ATTEMPTING TO SEEK RETROACTIVE PAYMENTS, OR RATHER IS IT OUR LEGAL INTERPRETATION THAT WE HAVE NO OBLIGATION FOR RETROACTIVE PAYMENTS GIVEN THE CONTINUING VALIDITY OF OUR AGREEMENT WITH UK? ESPECIALLY ON THIS LATTER POINT, I HOPE STATE AND DEFENSE LAWYERS HAVE STUDIED OUR AGREEMENT WITH THE BRITISH AND THE GCOB WHITE PAPER PRONOUNCEMENTS ON THEIR ATTITUDE TOWARD ASSUMING PREEXISTING INTERNATIONAL AGREEMENTS ENTERED INTO ON THEIR BEHALF BY BRITISH PRIOR TO THEIR INDEPENDENCE. IT IS ESSENTIAL THAT WE SATISFY OURSELVES ON HOW GOOD OUR CASE IS FROM A PURELY LEGAL POINT OF VIEW THAT WE HAVE NO OBLIGATION TO PAY RETROCONFIDENTIAL

PAGE 03 NASSAU 02128 02 OF 03 180043Z

ACTIVELY.

4. ITEMS NOT MENTIONED IN STATE 294636:

A) OPERATING RIGHTS. THE SEVERAL EXCHANGES WHICH I HAVE HAD ON THIS SUBJECT IN WASHINGTON SUGGEST TO ME THAT THE DEFENSE DEPARTMENT HAS NO SUBSTANTIVE REQUIREMENT FOR SUCH AN AGREEMENT. IN OUR LAST MEETING IN WASHINGTON, DEFENSE REPRESENTATIVES EXPLAINED THAT THE ONLY OPERATING RIGHTS WHICH THEY DESIRED, EXCLUSIVE OF THOSE INTEGRAL TO THE FACILITIES AGREEMENT ITSELF INVOLVED PROCEDURES CURRENTLY IN USE FOR UTILIZATION OF BAHAMIAN PORTS, TERRITORIAL WATERS AND AIR SPACE. SINCE THOSE PROCEDURES CONFORM TO NORMAL INTERNATIONAL PRACTICE, E.G., REQUESTING PERMISSION FOR U.S. MILITARY VESSELS TO COME INTO BAHAMIAN PORTS, THERE WOULD SEEM TO BE NO NEED FOR AN AGREEMENT. INDEED, AS I POINTED OUT, PURELY FROM THE POINT OF VIEW OF UNCERTAIN FUTURE CONTINGENCIES, IT WOULD BE BETTER NOT TO HAVE AN AGREEMENT WHICH SPECIFIED THESE NORMAL PRACTICES SINCE SUCH AN AGREEMENT WOULD BE CONFINING. AND THERE IS NO REPEAT NO POSSIBILITY OF THE BAHAMIANS SIGNING THE OPEN-ENDED AGREEMENT WHICH WE ORIGINALLY TABLED. AT STILL ANOTHER MEETING WITH DOD REPRESENTATIVES, I WAS CATEGORICALLY TOLD THAT THE OPERATING RIGHTS AGREEMENT WAS A "THROW AWAY" TO BE ABANDONED IN THE NEGOTIATIONS BUT INCLUDED BECAUSE OF THE TACTICAL ADVANTAGE OF BEING ABLE SUBSEQUENTLY TO GIVE IT UP. I DO NOT SHARE THIS VIEW. BY HAVING A REQUEST FOR SUCH

WIDE AUTHORITY WE ARE LOADING DOWN OUR POSITION AND INCREASING GCOB ASSUMPTION AS TO HOW MUCH LEVERAGE THEY HAVE OVER THE SIZE OF THE QUID. AS I HAVE STATED REPEATEDLY, IF DOD HAS A GENUINE OPERATIONAL NEED, WE WILL DO OUR DAMNDEST TO GET IT INCLUDED IN AN AGREEMENT. OTHERWISE, LET'S DROP IT.

5. OUR AMENDED RESPONSE TO THAT CONTAINED IN STATE 294636 TAKING DUE ACCOUNT OF THE ABOVE POINTS FOLLOWS BELOW (FOR READING EASE ALL DELETIONS HAVE BEEN BRACKETED AND ALL ADDITIONS UNDERLINED).

QUOTE: DEAR MR. MINISTER:

MY GOVERNMENT HAS GIVEN THE MOST CAREFUL CONSIDERATION TO YOUR LETTERS OF AUGUST 15 AND SEPTEMBER 25 CONCERNING U.S. FACILITIES AND OPERATING RIGHTS IN THE BAHAMAS. IT IS THE PURPOSE
CONFIDENTIAL

PAGE 04 NASSAU 02128 02 OF 03 180043Z

OF THIS LETTER TO RESPOND TO THOSE COMMUNICATIONS.

CONFIDENTIAL

PAGE 01 NASSAU 02128 03 OF 03 180133Z

63

ACTION ARA-10

INFO OCT-01 EUR-12 ISO-00 CG-00 DOTE-00 SAB-01 OMB-01

AID-05 IGA-02 EB-07 TRSE-00 CIAE-00 DODE-00 PM-04

H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02

SS-15 USIE-00 INRE-00 NSCE-00 SSO-00 /079 W

----- 077381

O R 172252Z DEC 75

FM AMEMBASSY NASSAU

TO SECSTATE WASHDC IMMEDIATE 7647

INFO AMEMBASSY LONDON

C O N F I D E N T I A L SECTION 3 OF 3 NASSAU 2128

IT IS MY UNDERSTANDING THAT BASIC AGREEMENT IN PRINCIPLE EXISTS BETWEEN OUR TWO GOVERNMENTS AS TO THE DESIRABILITY OF MAINTAINING U.S. FACILITIES IN THE BAHAMAS. THE NEGOTIATIONS WHICH TOOK PLACE IN 1973 AND EXCHANGES SINCE THAT TIME SEEM TO MAKE THIS PRINCIPLE AMPLY CLEAR. MY GOVERNMENT NATURALLY APPRECIATES THE DESIRE ON THE PART OF THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS TO SECURE CERTAIN BENEFITS AS A BASIS FOR NEGOTIATING THE CONTINUED OPERATION OF THESE FACILITIES BY THE U.S. IN CONSIDERING WHAT MIGHT REPRESENT A REASONABLE

RECOMPENSE, THE UNITED STATES WAS GUIDED IN THE FIRST INSTANCE BY THE ENTIRE VALUE OF THE FACILITIES TO US IN THEIR PRESENT LOCATION. MY GOVERNMENT COULD HARDLY JUSTIFY PAYING COMPENSATION WHICH SUBSTANTIALLY EXCEEDED THE COSTS OF RELOCATING ELSEWHERE. AT THE SAME TIME, HOWEVER, IN ANALYZING THE PROBLEM, RECOGNIZING THE UNDERSTANDABLE DESIRE OF THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS TO ACHIEVE THOSE ECONOMIC ADVANTAGES WHICH, AS YOUR LETTERS HAVE POINTED OUT, ARE SO IMPORTANT TO IT, MY GOVERNMENT HAS CONCLUDED THAT SUBSTANTIAL BENEFITS COULD ACCRUE TO THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS WITHIN A FRAMEWORK CONSISTENT WITH THE VALUE OF THE FACILITIES TO US.

BEGIN UNDERLINE THUS WHILE THE U.S. IS PRESCRIBED FROM PROVIDING CONFIDENTIAL

PAGE 02 NASSAU 02128 03 OF 03 180133Z

DIRECT DEVELOPMENT GRANTS OR SOFT LOANS TO COUNTRIES ENJOYING THE PER CAPITA INCOME AND STANDARD OF LIVING OF THAT OF THE BAHAMAS, MY GOVERNMENT HAS MADE AN ANALYSIS OF OTHER AVAILABLE RESOURCES AND, FROM THOSE RESOURCES, HAS SHAPED A PACKAGE OFFER WHICH WE BELIEVE WILL BE SIGNIFICANTLY BENEFICIAL TO THE BAHAMAS. END UNDERLINE

BASED ON THE FOREGOING FACTORS, MY GOVERNMENT IS PREPARED TO OFFER THE FOLLOWING ECONOMIC CONSIDERATIONS UPON CONCLUSION OF A SUCCESSFUL NEGOTIATION OF THE AGREEMENTS PREVIOUSLY TABLED (BEGIN UNDERLINE WITH THE EXCEPTION NOTED IN PARAGRAPH G END UNDERLINE) RELATING TO U.S. FACILITIES IN THE BAHAMAS:

A. A CASH CONSIDERATION OF DOLS 5 MILLION PER YEAR BEGIN UNDERLINE SUBJECT TO ANNUAL CONGRESSIONAL APPROVAL END UNDERLINE FOR A PERIOD OF AT LEAST 15 YEARS, TOTALLING DOLS 75 MILLION. IT IS ESSENTIAL THAT ANY AGREEMENT WHICH IS NEGOTIATED SHOULD EXTEND FOR NOT LESS THAN 15 YEARS. ANY LESSER PERIOD WOULD MAKE A FURTHER CAPITAL INVESTMENT IN THE FACILITIES FOR IMPROVEMENT AND MODERNIZATION OF QUESTIONABLE WISDOM. WITHOUT SUCH FURTHER CAPITAL INVESTMENT, THE FACILITIES WOULD LOSE A SUBSTANTIAL PORTION OF THEIR UTILITY TO MY GOVERNMENT.

B. OVER A 15-YEAR PERIOD, THE USG PROPOSES TO UNDERTAKE CERTAIN MODIFICATIONS TO THE FACILITIES, SUCH AS PORT IMPROVEMENT AND HARBOR DREDGING, WHICH ARE ESTIMATED TO PROVIDE TO THE BAHAMIAN ECONOMY BENEFITS TOTALING APPROXIMATELY DOLS 15 MILLION.

C. IN ADDITION TO THE FOREGOING CONSIDERATIONS, THE GOVERNMENT OF THE BAHAMAS IS ESTIMATED TO BENEFIT IN AN AMOUNT OF AT LEAST OPEN BRACKETS DOLS 2 CLOSE BRACKETS DOLS 4 MILLION ANNUALLY FROM SALARIES AND OTHER EXPENDITURES MADE BY THE UNITED STATES IN CONNECTION WITH THE OPERATION OF ITS FACILITIES IN THE BAHAMAS. MOREOVER, WE ARE PREPARED TO UNDERTAKE EFFORTS TO INCREASE THESE BENEFITS BY HIRING ADDITIONAL QUALIFIED BAHAMIANS FOR WORK AT THE FACILITIES. AT CURRENT LEVELS, THESE BENEFITS TO THE BAHAMAS ARE ESTIMATED TO AMOUNT TO NOT LESS THAN OPEN BRACKETS DOLS 30 CLOSE BRACKETS

DOLS 60 MILLION OVER A 15-YEAR PERIOD OF AGREEMENT.

D. BEGIN UNDERLINE MY GOVERNMENT IS PREPARED TO CONDUCT A PROGRAM FOR TRAINING BAHAMIAN PERSONNEL TO BE CONDUCTED ON THE SITE OF THE NAVAL FACILITIES ON ANDROS AND ELEUTHERA TO EQUIP THOSE PERSONNEL IN CERTAIN SKILLS SO AS TO PERMIT A CONFIDENTIAL

PAGE 03 NASSAU 02128 03 OF 03 180133Z

SUBSTANTIAL INCREASE IN THE NUMBER OF BAHAMIANS QUALIFIED TO BE EMPLOYED AT THE U.S. FACILITIES. THE TRAINING PROGRAM IS ESTIMATED TO COST DOLS 15 MILLION. A LARGE NUMBER OF POSITIONS NOW FILLED BY U.S. OR OTHER NATIONALS HAVE ALREADY BEEN IDENTIFIED AS AVAILABLE AT AUTEC FOR QUALIFIED BAHAMIAN PERSONNEL. THESE POSITIONS ARE AVAILABLE TO BE FILLED IMMEDIATELY IF YOUR GOVERNMENT HAS QUALIFIED PERSONNEL OR THEY MAY BE FILLED AS INDIVIDUALS BECOME QUALIFIED THROUGH THE U.S. TRAINING PROGRAM. END UNDERLINE

E. MY GOVERNMENT IS ALSO PREPARED TO SEEK CREDITS UNDER FOREIGN MILITARY SALES FOR THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS TO PURCHASE ITEMS OF MILITARY EQUIPMENT, CONSISTENT WITH THE REPORT OF THE BAHAMAS TECHNICAL SURVEY TEAM OF SEPTEMBER 21, 1973, OR AS MAY OTHERWISE BE MUTUALLY AGREED UPON. PROVIDED THAT SUFFICIENT FUNDS ARE AVAILABLE FROM CONGRESSIONAL AUTHORIZATION AND APPROPRIATIONS, A CREDIT IN THE AMOUNT OF DOLS 5 MILLION WOULD BE MADE AVAILABLE IN THE FISCAL YEAR FOLLOWING SUCCESSFUL NEGOTIATIONS, AND MY GOVERNMENT OPEN BRACKETS IS PREPARED TO CLOSE BRACKETS BEGIN UNDERLINE WILL END UNDERLINE SEEK ADDITIONAL CREDITS FOR THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS BEGIN UNDERLINE IF DESIRED, END UNDERLINE UP TO A TOTAL OF DOLS 25 MILLION OVER THE LIFE OF THE AGREEMENT, SUBJECT TO CONGRESSIONAL APPROVAL.

F. MY GOVERNMENT IS FURTHER PREPARED TO RELEASE OPEN BRACKETS VERY CLOSE BRACKETS FOR IMMEDIATE ACQUISITION BY THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS SUBSTANTIAL LAND AREAS WHICH HAVE HITHERTO BEEN OPEN BRACKETS OCCUPIED CLOSE BRACKETS BEGIN UNDERLINE INCLUDED END UNDERLINE AS PART OF U.S. FACILITIES IN THE BAHAMAS BEGIN UNDERLINE AND HAD COMPRISED 66 PERCENT OF THE TOTAL LAND AREA OF THOSE FACILITIES. END UNDERLINE ACCORDING OUR RECORDS, THESE LANDS CONSTITUTE OVER 2,000 ACRES. DELINEATION OF THESE LAND AREAS COULD BE UNDERTAKEN AT A FUTURE DATE BY APPROPRIATE REPRESENTATIVES OF OUR GOVERNMENTS.

G. BEGIN UNDERLINE I AM ALSO AUTHORIZED BY MY GOVERNMENT TO INDICATE THAT THE OPERATING RIGHTS AGREEMENT PREVIOUSLY PROPOSED IS NO LONGER DESIRED AND SHOULD BE DROPPED FROM THE NEGOTIATIONS. END UNDERLINE

H. THE ABOVE OFFERS SHALL BE EFFECTIVE AS OF THE DATE UPON WHICH SUCH NEGOTIATION IS COMPLETED. THESE OFFERS DO NOT INCLUDE RETROACTIVE PAYMENTS, BECAUSE MY GOVERNMENT LACKS CONFIDENTIAL

PAGE 04 NASSAU 02128 03 OF 03 180133Z

LEGISLATIVE AUTHORITY FOR MAKING RETROACTIVE PAYMENTS FOR WHICH THERE HAS BEEN NO PRIOR OBLIGATION.

THE ABOVE OFFERS ARE PREDICATED ON THE VIEW THAT THE AGREEMENTS NOW IN FORCE REMAIN VALID UNTIL REPLACED BY THE NEW AGREEMENT WE ARE NEGOTIATING. IT IS THE SINCERE BELIEF OF MY GOVERNMENT THAT THE ECONOMIC CONSIDERATIONS SET FORTH ABOVE, WHICH TOTAL WELL OVER DOLS 145 MILLION, PROVIDE VERY SUBSTANTIAL BENEFITS TO THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS. IN ADDITION, WE ATTACH GREAT IMPORTANCE TO THE INTANGIBLE BUT REAL BENEFIT WHICH DERIVES FROM THE CLOSE AND FRIENDLY WORKING RELATIONSHIP BETWEEN OUR TWO COUNTRIES, WHICH IS ENHANCED BY THE PRESENCE OF U.S. FACILITIES IN THE TERRITORY OF THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS. IT IS MY HOPE, THEREFORE, THAT YOU WILL BE ABLE TO RESPOND FAVORABLY TO THE ABOVE PROPOSALS, SO THAT WE MAY EXPEDITIOUSLY CONCLUDE NEGOTIATIONS. (COMPLIMENTARY CLOSING) UNQUOTE.
WEISS

CONFIDENTIAL

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PERSONNEL TRAINING, MILITARY BASES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 DEC 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: johnsorg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975NASSAU02128
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Film Number: D750439-0504
From: NASSAU
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751291/baaaattp.tel
Line Count: 453
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 9
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: johnsorg
Review Comment: n/a
Review Content Flags:
Review Date: 25 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 JUN 2003 by ElyME>; APPROVED <06 NOV 2003 by johnsorg>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: MARR, BF, US
To: STATE INFO LONDON
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006